

U.S. Small Business Administration National Guaranty Purchase Center Herndon Corporate Center 1145 Herndon Parkway Herndon, VA 20170

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To Our Lending Partners

The biggest challenge faced by the National Guaranty Purchase Center (NGPC) is the lack of sufficient documentation to enable the SBA to purchase the guaranty. Just as each Loan Authorization is tailored to the specific loan purpose, so too is the documentation needed to analyze and authorize the honoring of the guaranty.

Over the past two years that the NGPC has been processing guaranty purchases, our reject rate for purchase packages has remained around 75-80%. Within this range are packages that may need one or two items while others are comprised of only a Demand letter and Wiring Instructions. In every case it is necessary for SBA staff to contact the lender by phone, fax or email and request additional documentation. This process has slowed down the overall processing times for ALL packages submitted for purchase.

Recently, the NGPC has reevaluated the entire guaranty purchase process and has made major improvements in its procedures. Briefly, the Center will have processing teams that will be focused on those packages that are essentially complete upon arrival. Those that cannot be immediately assigned to the Processing Teams will be returned with instructions to allow for them to be reassembled. In an effort to make this transition as easy as possible, the NGPC has rethought the basic procedures for purchase package assembly. In addition to the standard checklist outlining the items required for purchase, the SBA has developed self-guided tabs to make the compilation of documents much easier. The Checklist and Tabs will be available on the NGPC website and through our district offices. In addition, if the Tabs are viewed on the website, they will contain links to the Forms library which contains copies of all forms needed in the guaranty purchase process. In addition, the website will maintain a detailed Tutorial with voice over sound that will explain the documents that may be required to complete the guaranty purchase process.

Over the next 30 days, the SBA will be sending emails to approximately 15,000 lending partners outlining the new procedures being put into place at the National Guaranty Purchase Center. In addition, training materials will be distributed to our district office personnel so they can also assist with the transition and be an additional resource to the 7(a) lending community. The National Guaranty Purchase Center web site will also contain links to the new Tabs as well as the Checklist and the Tutorial. All these steps are being taken to dramatically improve the customer service offered by the NGPC as well as decrease the time required to process and approve guaranty purchase requests.

We thank you in advance for your cooperation and promise to continue to strive to meet your expectations.

Center Director

Kahal CBlewett